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IN THE

Supreme Court of the United States

October Term, 1962
No. 581

CARL WHITSON,
Petitioner and Defendant,

vs.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Corporation,
Plaintiff and Respondent,

PETITION FOR WRIT OF CERTIORARI TO THE DISTRICT COURT OF APPEAL SECOND APPELLATE DISTRICT STATE OF CALIFORNIA

CARL WHITSON
3617 East Ocean Boulevard
Long Beach 3, California
In Pro. Per.

LONG BEACH REPORTER

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vs.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Corporation,

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PETITION FOR WRIT OF CERTIORARI TO THE DISTRICT COURT OF APPEAL SECOND APPELLATE DISTRICT STATE OF CALIFORNIA

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States of America:

Petitoner, Carl Whitson, prays that a Writ of Certiorari issue to review the decision of the District Court of Appeal, Second Appellate District, of California.

OPINIONS BELOW

The judgments and orders of the trial court are unreported and are printed in Appendix "A" hereto. The decisions of the District Court of Appeal are reported in 187 Cal. App. 2nd 751, 10 Cal. Reptr. 6, and in 205 A.C.A. at page 786, and are printed in Appendix "A" & "B" hereto.

STATEMENT OF GROUNDS FOR JURISDICTION

The last decision by the District Court of Appeal, Second Appellate District, of California was entered on July 19, 1962. Petition for Rehearing was denied on August 14, 1962. Petitions for Hearings by the Supreme Court of California were denied. The last such Petition for Hearing was denied by the Supreme Court of California on September 11, 1962.

It is believed that jurisdiction of this Court is under 28 U.S.C. Section 1257 (3) (since a right to due process of law is claimed under the Fourteenth Amendment of the Constitution of the United States).

QUESTIONS PRESENTED FOR REVIEW

1. Is a litigant denied due process of law when judges of the state courts fail and refuse to consider and follow the decisions of the Supreme Court of the United States, Federal Courts, and the decisions of the Supreme Court of that State; and where such decisions are uniform and have been in effect for over one hundred years?

2. Is it due process of law for defendant to be held liable after the statute of limitations have run in a special statute in regard public school lunchroom con-

struction, and where the waiver of the time to sue, set out in such statute, is waived by the attorney for plaintiff only, and without the knowledge or consent of defendant?

3. Is it due process of law for state judges to fail and refuse to apply and use simple arithmetic subtraction of figures on written documents furnished by plaintiff in order to hold defendant liable?

4. Is it equal protection of the law, under the Fourteenth Amendment, for the same Justice to apply rules of law to the same statute in directly opposite results, in order to hold in favor of the same plaintiff?

5. Is it due process of law to deny defendant's demand for a jury trial at the second trial, where no demand was made for such jury trial at the first trial?

CONSTITUTION PROVISIONS AND STATUTES INVOLVED

Chapter 3, Section 4206 *Government Code of California* provides as follows:

> "Suit against the surety or sureties on the contractor's bond may be brought by any claimant, or his assign, at any time after the claimant has ceased to perform labor or furnish material, or both, and until the expiration of six months after the period in which verified claims may be filed as provided in Section 1192.1 of the Code of Civil Procedure. (As amended Stats, 1957, c 66, p. 635 - 2.)"

The Fourteenth Amendment to the Constitution of the United States is involved herein.

STATEMENT OF THE CASE

On December 19, 1949 one F. L. B. Curtis, as a contractor entered into a written contract with the Long Beach, California, School District to build a public school lunchroom building, and on December 22, 1949 plaintiff made a labor and material bond for the contractor. On February 17, 1950 plaintiff requested petitioner to sign an indemnity agreement, which he did: After the buildings were completed and notice of completion filed February 21, 1951, all of the sub-contractors and material men filed claims within thirty days, as provided by Section 1192.1 Code of Civil Procedure of California; and the School Board withheld the final payments from the contractor.

All funds withheld by the School Board and funds paid in by the contractor, in the total sum of $22,-171.80 were paid to and turned over to plaintiff to pay all outstanding claims amounting to a total of $20,-467.10. All claims were paid in full from such funds, except one claim for $3,313.45 which plaintiff tried to settle for some $2,500.00 and settlement refused.

A written document signed by the attorney for plaintiff entitled "Notice to Creditors" of Contractor F. L. B. Curtis, and among other things, it is stated therein that "Fidelity and Deposit Company of Maryland hereby waives the period of time within which suits must be filed." This document and attempted waiver of time to sue by plaintiff's attorney caused the last claimant to sue plaintiff herein for $3,313.45, on April 14, 1953 (over two years after filing its claim). This suit was compromised by plaintiff on April 2, 1958 for the sum of $2,500.00, and later peti-

tioner was sued by respondent for this sum plus attorney fees and costs.

At the first trial on the merits a judge granted judgment against petitioner for $4,529.05, which judgment included two attorney fees of $1,000.00 each, plus costs. This judgment was affirmed on appeal by the District Court of Appeal, Second Appellate District; and the case remanded to the trial court to assess additional sum as additional attorney fees. A Petition for Hearing in the Supreme Court of California was denied.

At the second trial or hearing, the same judge, after denying defendant's motion for a jury trial, granted judgment against petitioner for an additional sum of $800.00 as attorney fees, plus all costs. This resulted in a total judgment and costs of over $6,500.00, which was appealed and affirmed by the District Court of Appeal, Second Appellate District of California. A petition for Hearing by the Supreme Court of California was again timely filed and denied on September 11, 1962.

FEDERAL QUESTIONS TIMELY AND PROPERLY RAISED

At the pre-trial conference defendant raised the question of the attempted waiver of time to sue on claims and pointed out that the six months time had elapsed long before suit on this claim was filed, and called attention to the Holding of the Supreme Court of the United States, in *Pollard v. Bailey*, 20 Wall. 520, 526, 22 L.Ed. 376, at 378; *Wm. Danzer Co. v. Gulf & S. I. Ry. Co.*, 264 U. S. 633; *Midstates Horticultural Assn. v. Penn. Ry. Co.*, 302 U. S. 356, 64

S.Ct. 128; *Adams v. Abony*, 80 Fed. Supp. 878. All of these cases, it was pointed out, hold and have for over one hundred years held that the lapse of time, not only bars the remedy, but destroys the liability, and cannot be waived. There was no record kept of this conference but the same points were again raised by Motion for Pre-Trial Hearing on Special Defenses; this motion was denied. (Rep. Tr., p. 16, Vol. I, Cer. Rec.)

The above cases and others holding that where a statute creates the right of action and sets the time within which suits must be started, the terms cannot be waived for any purpose by any party, were cited and pointed out at every opportunity, and on every occasion. In each instance the judges disregarded such cases and refused to follow the settled law.

The District Court of Appeal held and decided that the Statute of Limitation set in the above statute had in fact expired, but by the waiver signed by plaintiff's attorney it was properly waived in such manner as to hold defendant liable (Appendix A, page 2a). In the opinion of the District Court of Appeal, Second District, we find the following:

> "It is conceded that Harbor Boat action was filed after the Statute of Limitations against respondent as surety (six months) had run (Govt. Code, Sec. 4206), and the plaintiff in that lawsuit was properly in court only because of a waiver of time (within which to sue) extended it by respondent through its attorney, Mr. Crider."

The fact that all funds were turned over to plaintiff to pay claims and the fact that more than ample funds were under its control to pay all claims, in-

cluding Harbor Boat claim, was pointed out to the State Courts at the first trial (Rep. Tr., pp. 44-45). The judges refused to apply or use simple arithmetic subtraction in order to hold defendant liable. This, it was pointed out, is not due process of law. The record shows, and plaintiff admits that it received $22,171.80 to pay all claims, including Harbor Boat claim; in total amount of $20,467,10, or $1,714.70 more than needed to pay all claims (Rep. Tr., p. 47, Vol. I, Certified Record).

It was pointed out to the State Court, in opening briefs, that the same Court had held the terms of Section 4206, Chapter 3, Government Code of California, could not be waived, *Fidelity & Deposit Company of Maryland vs. Claud Fisher Co.*, 161 Cal. App. 2d 431, yet the very same Justice of the State Court held in *Fidelity & Deposit Company of Maryland vs. Whitson*, 187 Cal. App. 2d 751 (the instant case) that such terms can be waived. This is not equal protection of the laws under the holding of this Court in *Baltimore & Ohio Ry. Co. v. United States*, 298 U. S. 349, at 366.

No demand for trial by jury was made at the first trial, but at the second trial a jury was demanded and refused (Rep. Tr., p. 7, Vol. 2, Cer. Rec.). It was pointed out that such denial was denying defendant due process of law under the Constitution.

REASONS FOR ALLOWING THE WRIT

The amount of money involved herein is not large for a multi-million dollar surety company such as plaintiff but is a sizeable sum to petitioner. However, sev-

eral important principles of law, and Federal questions of importance are involved, which should, it is urged, give this court jurisdiction to issue the writ.

FIRST

A public school lunchroom construction contract is involved; hence the Federal Aid to school lunch program is involved. No case in point on this question has been found, and since this is an established and growing program the law should be announced and guide lines established by this Court.

SECOND

This Court is not called upon to exercise its jurisdiction to correct errors, as such, of a State Court. However, it is called upon and urged to protect the constitution rights of petitioner which have been clearly violated by the State Courts in refusing to follow the law of the land as defined and established by this Court, and which have been established and settled for over one hundred years, that a special Statute of Limitations cannot be waived for any purpose or for any time.

THIRD

It would seem clear, though no case has been found to sustain such a theory, that when, as happened here, state judges fail and refuse to apply simple arithmetic subtraction in cases before them, such action deprives the party of due process of law.

FOURTH

A trial by jury, in a case at law such as we have here, is guaranteed by the Constitution of the United States, and the Constitution of California. Such jury trial is

waived where no demand is made, as happened at the first trial. However, at the second trial, where more damages were added to the judgment for additional attorney fees, a jury trial was demanded and refused. Hence the State Court has held that a waiver of jury at the first trial is a waiver of such jury trial at any subsequent trial (Appendix "C" p. 3c). Thus a state court has decided a federal question of substance (right to trial by jury) not theretofore determined by this court, or has decided it in a way probably not in accord with applicable decisions of this court.

FIFTH

When a Statute of Limitation has run in his favor, a property right is created thereby, which cannot be taken from him without violating due process of law under the Constitution.

CONCLUSION

Your petitioner respectfully submits that the Writ of Certiorari should issue to the end that this Court may review the decision of the District Court of Appeal, Second District of California, and determine whether the defendant has been denied any rights guaranteed by the Fourteenth Amendment to the Constitution of the United States.

Respectfully submitted,

CARL WHITSON
Petitioner, in Pro. Per.

APPENDIX "A"

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF LOS ANGELES

No. 711,587

JUDGMENT

FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Corporation,

Plaintiff,

vs.

CARL WHITSON,

Defendant.

The above entitled action came on regularly for trial on February 11, 1960, and was continued for trial and was tried on February 15, 1960, and on February 16, 1960, in Department "G" of South Branch (Long Beach) of the above entitled Court, Honorable Beach Vasey, Judge presiding, without a jury, a jury having been expressly waived. Plaintiff appeared by its attorneys, Sims & Wallbert, by Maurice H. Wallbert, Esq., and Carl Whitson appeared in Propria Personam, and evidence both oral and documentary having been introduced and the case having been argued and submitted for decision, and the court having heretofore made and caused to be filed herein its written Findings of Fact and Conclusions of Law, and being fully advised in the premises:

NOW, THEREFORE, by reason of the law and findings of fact aforesaid, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

That Plaintiff Fidelity and Deposit Company of Maryland, a corporation, have and recover of and from the defendant, Carl Whitson the sum of FOUR THOUSAND FIVE HUNDRED TWENTY-NINE AND 05 100 DOLLARS ($4,529.05), together with interest on the sum of $2,500 at the rate of 7% per annum from April 25, 1958, or interest in the sum of $....., making a total judgment in the amount of $....., together with plaintiff's costs in the sum of $.....

THE CLERK IS HEREBY ORDERED TO ENTER THIS JUDGMENT

DATED this 2nd day of March, 1960.

BEACH VASEY
Judge of the Superior Court

(THE PART OF THE LAST JUDGMENT APPEALED FROM IS BELOW:)

The Court finds and determines that a reasonable attorney's fee for services on appeal to plaintifff Fidelity and Deposit Company of Maryland, a corporation, is the sum of $800.

NOW, THEREFORE, by reason of all of the foregoing, it is hereby ordered, adjudged and decreed, that there be, and there is hereby, added to the amount of the judgment heretofore rendered and entered in the above entitled action in favor of plaintiff Fidelity and Deposit Company of Maryland, and against de-

fendant Carl Whitson, the sum of $800 as and for reasonable attorney's fee to plaintiff for services on appeal, thereby making a total judgment in favor of plaintiff Fidelity and Deposit Company of Maryland, a corporation, and against Carl Whitson, in the sum of $5,653.72, together with costs, as provided by law, and as heretofore entered on the judgment, together with interest on the sum of $4,853.72 at the rate of 7% per annum from March 4, 1960.

Dated this 20th day of April, 1961.

BEACH VASEY
Judge of the Superior Court

APPENDIX "B"

IN THE DISTRICT COURT OF APPEAL OF THE STATE OF CALIFORNIA SECOND APPELLATE DISTRICT DIVISION ONE

CIVIL No. 24869

FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a Corporation,

Plaintiff and Respondent,

vs.

CARL WHITSON,

Defendant and Appellant.

APPEAL from judgment of Superior Court of Los Angeles County, Beach Vasey, Judge.

Maurice H. Wallbert for respondent.

Carl Whitson, on propria persona, for appellant.

Plaintiff's action sought to recover from defendant, as indemnitor under a contract of indemnity, the sum of $3,529.05 plus interest, reasonable attorney's fees and costs. Of this sum $2,500.00 represents monies paid by plaintiff as surety in compromise and settlement of a claim asserted under a labor and material bond executed on a construction job for Long Beach Unified School District; the balance consisted of $1,000.00 paid by plaintiff to its counsel for services

rendered in connection with matters said to have been covered by the contract of indemnity, and $29.05 expended in court costs. The trial court rendered judgment as prayed for, together with an additional award of $1,000.00 counsel fees for maintaining the instant action. Defendant has appealed from the judgment; plaintiff asks this court, in event of an affirmance and pursuant to a pertinent paragraph of the contract, for an order awarding attorney's fees on appeal. California Viking Sprinkler Co. v. Cheney, 182 A.C.A. 648, 655.

The salient facts, either admitted by defendant or otherwise found to be true, are as follows: On December 19, 1949, one Curtis, as contractor, entered into a written contract with the Long Beach Unified School District to construct a lunch room assembly building at a named Long Beach elementary school; on December 22, 1949, and in connection with such contract, Curtis requested plaintiff to execute and furnish the performance and labor and material bonds required by law (Gov. Code., Secs. 4200 et seq.); at or about the same time defendant also requested plaintiff to execute for and on behalf of Curtis the required bonds, agreeing to furnish plaintiff with an "Agreement of Indemnity" in connection therewith, which agreement was subsequently executed by defendant on February 17, 1950; following his entry upon the job contracted for, Curtis neglected to pay numerous claims of laborers, material men and subcontractors who, in due time, asserted their claims against plaintiff; defendant was advised by plaintiff that these claims were being asserted; plaintiff was required to, and did, employ counsel with respect to the pro-

cessing of the aforesaid claims, all of which were paid, save one, from funds held by the school district or contributed by Curtis; the one exception just mentioned, that of Harbor Boat Building Company for labor and material (plus attorney fees and costs), became the subject matter of a lawsuit and was settled before trial for $2,500.00, for which sum (and counsel fees in connection therewith) this action seeks reimbursement. Finally, the following matters alleged in the complaint were admitted by the failure of defendant to deny; on February 27, 1951, defendant instituted an action against plaintiff seeking declaratory relief respecting his liability under the "Agreement of Indemnity"; plaintiff (as a defendant in said action) employed counsel to represent it and became obligated to pay reasonable attorney's fees; on motion of plaintiff, said action was subsequently dismissed for lack of prosecution.

Appellant's briefs are in the nature of a "shotgun" attack on the judgment below; contrary to settled principles of appellated practice, they have placed an undue burden on this court to ascertain the exact points contended for[2]; we have determined, however, that appellant basically is claiming that the evidence is insufficient to support the various findings of the trial court. The claim is without merit. In the discussions which follow, we shall give our reasons for the conclusion reached, touching upon such of appellant's points as require comment..

The evidence amply supports the finding that an indemnity agreement was executed and delivered by

[2] Appellant is a licensed member of the Oklahoma Bar although he never practiced in that state; he never sought admission to practice in California.

appellant to respondent. Robert Hetch, employed by respondent for approximately thirty-three years, testified that he and a fellow employee met appellant at a Long Beach used car lot, then operated by appellant, about one week before the bonds on the school job were executed; they told appellant that their employer was reluctant to proceed "without his (appellant) being in the picture"; appellant stated then or later (but prior to the execution of the bond) that he would furnish an indemnity agreement to respondent on the particular project; Mr. Hetch also testified that respondent would not have executed the bonds except for appellant's promise in this connection. The agreement itself was introduced into evidence; it bears the signature of appellant and Curtis, dated February 17, 1950, the signature being acknowledged before a notary the same day. Shown the original court file in the declaratory relief action filed by him against respondent, appellant testified that he signed the verification in blank (as was his practice when he was a party to a lawsuit); his attention was directed to paragraph VII of the complaint therein reading as follows: "At the time of the execution of the faithful performance bond mentioned in paragraph VI above, the defendant Fidelity & Deposit Company requested and obtained from plaintiff his agreement to indemnify said defendant from any loss that he might suffer as a result from being held liable on said bond"; as to the foregoing allegations, appellant stated: "I think they are generally true. I think the amount is true and I think that one is true". There was evidence that the agreement was returned to appellant to respondent, the face of the instrument bearing the imprint "Contract Dept. Feb. 27, 1950."

Appellant contends that there was no consideration for the agreement; he argues that the "Alleged Agreement of Indemnity was signed and dated . . . about two months after the bond to pay labor and material was executed" hence consideration failed in that the indemnity contract was not executed simultaneously with the principal obligation, citing 42 C.J.S. 571, Sec. 6(2); further, he asserts, there was no compliance with Section 2793, Civil Code, providing that a surety obligation must be in writing. First, appellant's reference to Section 2793, *supra*, presumably is based on the oral understanding between the parties in December of 1949 pursuant to which the written agreement was entered into; since the oral guaranty was later acted upon and fully executed, the point is without merit. (Solomon v. Ellis, 34 Cal. App. 2d 672, 679) Second, the rule cited by appellant (42 C.J.S. page 751, *supra*) also declares that a written agreement to indemnify need not be executed simultaneously with the contract of indemnity if it be executed in pursuance of a prior agreement therefor. (Fidelity and Deposit Company of Maryland v. O'Bryan [Ky.] 202 S. W. 645, 646 [cited by appellant]; Title Guaranty & Surety Co. vs. Packard Co., [Wash.] 134 P. 812; 167 A.L.R. 1184-1185, citing generally McDonough v. Chu Chew Shong, 21 Cal. App. 2d 257). There is here, of course, evidence of a prior agreement pursuant to which the contract in suit was subsequently executed; it also appears that appellant neglected to plead lack or failure of consideration as an affirmative defense and he is now foreclosed from urging the question. (Williams v. Kinsey, 74 Cal. App. 2d 583, 603.)

Next the trial court found that respondent suffered

a loss, reimbursable under the provisions of the contract of indemnity, by payment of the sum sued for; specifically, the court found that the compromise and settlement of the Harbor Boat Building lawsuit by payment of $2,500 was entered into in good faith and upon recommendation of its counsel and in the honest belief that respondent was liable to said claimant, that respondent paid its counsel $1,000 for services rendered in the processing of claims connected with the school job including the Harbor Boat Company settlement as well as the defense of appellant's declaratory relief action, and that such sum was reasonable fee. An indemnity agreement is to be construed like any other contract with a view to determining the actual intentions of the parties; no artificial rules apply. (United Air Lines, Inc. v. Western Air Lines, Inc., 132 Cal. App. 2d 308.) The pertinent paragraphs of the contract of indemnity contains the following provisions: In paragraph Second, defendant agreed to indemnify and hold harmless the plaintiff from and against any and all loss, liability, damages, costs, counsel fees, charges and expenses of whatever nature or kind which the plaintiff shall or may at any time incur, sustain or be put to for or by reason or in consequence of the execution of the bonds which were executed by plaintiff in connection with the Burnett Elementary School job; in paragraph Eight defendant agreed to and did waive all notices of any default or any liability on the part of defendant as indemnitor under the contract of indemnity; Paragraph Tenth provided that in the event any claim or demand made upon plaintiff by reason of bonds referred to, or any of them, plaintiff shall be at liberty to pay or compromise the same, and

vouchers or other evidence of payment, compromise or settlement of any claim, demand liability, cost, charge, expense, suit or judgment by reason of said bonds shall be prima facie evidence of the fact and of the extent of the defendant's liability as indemnitor under the contract of indemnity to the plaintiff; paragraph Sixteen provides, in part, that plaintiff shall have a right to apply to the court in which any action might be brought against plaintiff as surety under the bonds in question for an order making the defendant, as indemnitor, a party defendant thereto; paragraph Seventeen provides that the obligation evidenced by the contract of indemnity shall be liberally construed so as to fully protect and indemnify the plaintiff.

Respondent's draft, a photostatic copy of which was admitted into evidence by stipulation, established payment by respondent of $2,500 in settlement of the Harbor Boat Company lawsuit; a draft to the order of Joe Crider, Jr., respondent's attorney, in payment of $1,000 counsel fees and costs ($29.05), was likewise introduced into evidence by stipulation. Under the provision of paragraph Tenth, the foregoing exhibits constitute prima facie proof of the fact of such payment and the extent of appellant's liability; these provisions, it appears, have the sanction of decisional law (17 C.J.S., Contracts, pp. 607-608, note 89) indeed, there is authority supporting the validity of provisions that vouchers or other evidence of payment shall be conclusive evidence thereof upon showing that payment was made in good faith. (42 C.J.S., Indemnity, p. 629, Sec. 35 [c]). Mr. Crider, an attorney with some fifty years of experience in the field of surety-

ship law, testified that he could not see any defense to the Harbor Boat case: "I dickered with them and we didn't get any place". Appellant did not negative or rebut Mr. Crider's testimony on the question of good faith, and the evidence otherwise supports the finding that "said compromise and settlement was entered into in good faith by plaintiff and upon recommendation of its counsel in said proceeding and in the honest belief that plaintiff was liable to said claimant . . ." Appellant makes the point that paragraph Sixteen made it mandatory upon respondent to apply to the court where such action was pending for an order joining appellant as a party defendant therein; the pertinent paragraph did not require that respondent pursue such remedy although it had the right to apply for an order of joinder.

Further on the finding that respondent suffered a loss, appellant argues that it was incumbent upon respondent to allege and prove that it was legally liable, that a judgment had been secured against it, the amount of such judgment or that the fact that the judgment had been paid. The law is to the contrary. An indemnitee is not bound to submit to suit before paying the claim; of course, if he pays without such suit, he must prove that he was liable for the amount thus paid in order to recover from the indemnitee. (Carpenter Paper Co. v. Kellogg, 114 Cal. App. 2d 640, 651). So where there is no trial and no judgment establishing liability, but a settlement of the litigation has been made, the settlement becomes presumptive evidence of the liability and the amount thereof, which presumption is subject to being overcome by proof. (Lamb v. Belt Casualty Co., 3 Cal. App. 2d 624,

631-632). It was for the trial court to determine whether the presumption just mentioned was overcome in the case at bar; its determination in the record, favorable to respondent, is binding on this court.

A determination of appellant's liability, or that of any indemnitor, must nevertheless be controlled by the rule that a voluntary payment made by the indemnitee, without regard to its liability is not recoverable. (Southern Cal. Gas Co. v. Ventura Pipe Line Co., 150 Cal. App. 2d 235, 257). It is conceded that Harbor Boat action was filed after the statute of limitations against respondent as surety (six months) had run (Govt. Code, Sec. 4206), and the plaintiff in that lawsuit was properly in court only because of a waiver of time (within which to sue) extended it by respondent through its attorney Mr. Crider. There was testimony by Mr. Crider that numerous claims were asserted against his client as surety and that many of the claimants were threatening to file suits — in actions of this kind, Section 4207 of the Government Code provides for an award of attorney's fees to the prevailing party. Mr. Crider testified that it was sound suretyship practice to extend time for the filing of suit on such claims in order to avoid lawsuits as well as the additional expense incident to attorney's fees recoverable under the government statute. Respondent, of course, had a duty to minimize the loss of its indemnitor; furthermore, it seems that the wisdom of Mr. Crider's decision was demonstrated by the fact that all claims save that of Harbor Boat Company, were settled without the necessity of a lawsuit. Irrespective of the

realities of the situation, Section 4206 is a statute of limitation (People v. Continental Casualty Co., 118 Cal. App. 2d 133, 135) and may be waived by the party entitled to assert the same. (Bon v. Watson, 130 Cal. App. 2d 24, 36).

Respondent properly maintains, in response to a contrary claim by appellant, that the present action was not barred by the four-year period embodied in Section 337, subdivision 1, of the Code of Civil Procedure. The four-year period commenced to run when respondent sustained its loss, namely, the payment of the sums herein sued for (Globe Indemnity Co. v. Larkin, 62 Cal. App. 2d 891, 894); the institution of the instant action was within that period.

Finally, as to the matter of attorney's fees the contract of indemnity provided therefor, and the sole question before us is the reasonableness of the sum of ($1,000) paid to Mr. Crider by respondent prior to the filing of the instant action and the additional award of ($1,000) made by trial court, for services in connection with the instant litigation. Mr. Crider testified as to the nature of services rendered respondent: the processing of various claims, extended negotiations for settlement of Harbor Boat Company lawsuit which represented a "potential loss of $6,148" and defense of appellant's declaratory relief action. Where trial court has fixed the compensation of an attorney, its determination in that respect will not be disturbed unless there is a plain and palpable abuse of discretion (Kurland v. Simmons, 126 Cal. App. 2d 79, 82) which, in the present case, has not been made to appear. Appellant's reliance on Byron Jackson Co. v. Woods, 41 Cal. App. 2d 777, is misplaced where

there was a voluntary payment for defending a suit caused by the indemnitee's own wrongs; the case is factually dissimilar. As for the award of fees for the maintenance of the present action, appellant does not question that he is liable therefor under paragraph Second of the contract, but he does maintain that the award is excessive. Again, the familiar rule is applicable that it is for the trial court to judge the reasonable value of legal services; the award of $1,000 was not unreasonable under accepted criteria applicable here.

As indicated in the opening paragraph of this opinion, respondent is also asking this court, in event of an affirmance, for an order awarding additional attorney's fees on appeal. Paragraph Second of the contract provides for such fees, which provision is also applicable to services rendered on appeal. (California Viking Sprinkler Co. v. Cheney, supra, 182 A.C.A. 648).

The judgment is affirmed; the trial court is directed to determine a reasonable attorney's fee for services on appeal and to add such fee to the principal amount of the judgment.

LILLIE, J.

We concur:

WOOD, P. J.
FOURT, J.

APPENDIX "C"

IN THE DISTRICT COURT OF APPEAL OF THE STATE OF CALIFORNIA. SECOND APPELLATE DISTRICT

Civil No. 25948
Civil No. 25949

FILED
July 19, 1962
J. T. Alley, Clerk

FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation,
Plaintiff and Respondent,

vs.

CARL WHITSON,
Defendant and Appellant,

APPEAL from two orders of the Superior Court of Los Angeles County. Beach Vasey, Judge. Affirmed.

Order awarding attorney's fees to plaintiff for services on appeal affirmed. Appeal from judgment against surety on undertaking dismissed.

Carl Whitson in pro per as Defendant and Appellant.

Maurice H. Wallbert for Plaintiff and Respondent.

Plaintiff Fidelity and Deposit Company filed an action against defendant Carl Whitson on an indemnity agreement on March 4, 1960, judgment was rendered in favor of plaintiff for the sum of $4,853. Defendant appealed therefrom, filing an undertaking on appeal (pursuant to Section 942, Code of Civil Procedure), in the penal sum of $10,000 executed by United States Fidelity and Guaranty as surety.

The District Court of Appeal affirmed the judgment and directed the trial court to determine a reasonable attorney's fee for services on appeal to plaintiff, and to add such fee to the principal amount of the judgment in favor of plaintiff. (Fidelity & Deposit Co. v. Whitson, 187 Cal. App. 2d 751, 759).

On April 17, 1961, after notice to defendant, the trial court held a hearing and made a determination and award of reasonable attorney's fees for services on appeal to plaintiff in the amount of $800. On April 20, 1961, the court made its order awarding said sum of $800 as reasonable attorney's fees and adding this amount to the original judgment. Defendant appeals from this last mentioned order.

Plaintiff thereafter made written demand upon United States Fidelity and Guaranty Company for payment of the judgment on its undertaking on appeal, pursuant to Section 942, Code of Civil Procedure; demand was also made upon defendant for payment of judgment. Nothing having been paid, plaintiff then proceeded by motion for entry of judgment against United States Fidelity and Guaranty Company for the amount of the original judgment, plus interest, costs on appeal and attorney's fees as allowed by the court. After hearing on the motion, upon

notice to defendant and surety, judgment was entered May 5, 1961 in favor of plaintiff and against United States Fidelity and Guaranty Company, the surety on the undertaking on appeal, in the amount of $6,416. Defendant has also appealed from this judgment and the two appeals have been consolidated.

Appeal from Award of Attorney's Fees

Defendant first argues that the trial court had no jurisdiction to determine reasonable attorney's fees for services on appeal. The District Court of Appeal specifically directed the trial court "to determine a reasonable attorney's fee for services on appeal and to add such fee to the principal amount of the judgment. (Fidelity & Deposit Co. v. Whitson, 187 Cal. App. 2d 751, 759). That decision became final (petition for hearing by the Supreme Court was denied on February 21, 1961) and was and is clearly the law of the case. Further, the appellate court in that case specifically held that the indemnity contract executed by defendant provided for attorney's fees for indemnitee (plaintiff) and that this was applicable to services rendered on appeal. The court said (page 759):

> "As indicated in the opening paragraph of this opinion, respondent is also asking this court, in the event of an affirmance, for an order awarding additional attorney's fees on appeal. Paragraph Second of the contract provides for such fees, which provision is also applicable to services rendered on appeal. (California Viking Sprinkler Co. v. Cheney, supra, 182 Cal. App. 2d 564)"

Defendant next argues that at the hearing on matter of attorney's fees, he requested a jury trial which was denied. In the trial of the original action both parties had waived a jury under Section 631, Code of Civil Procedure. The court's ruling on defendant's objection to the jurisdiction of the court and his request for a jury trial, as shown by the transcript, is as follows:

> "THE COURT: The objection on the grounds of not being within the jurisdiction of the Court is overruled and the Court will rule that you have waived a jury in this proceeding and that you can't now claim a jury for this ancillary step after the judgment."

We approve the trial court's ruling that after the jury trial had been waived by the parties in the original action, it could not be demanded as a matter of right for the trial of this one supplemental issue pertaining to amount of attorney's fees to be awarded for services on appeal.

In Spaulding v. Cameron, 127 Cal. App. 2d 698, an action for an injunction and damages was originally tried with both parties waiving a jury trial. On the first appeal before the Supreme Court, the judgment was affirmed in part and reversed in part with instructions. On the second trial, defendant demanded a jury trial and this was denied. On second appeal this ruling by the trial court was affirmed. The court said (page 703): "If the trial court on motion for a new trial had discovered its error and had granted a limited retrial for the purpose of adjudication issues that had not been determined, or if after the evidence was closed the trial had been reopened for evidence

as to the permanency of the nuisance it could scarcely have been contended by defendant that in the further proceedings he was not bound by his waiver of jury. We see no substantial difference between the proceedings that were had pursuant to the mandate of the Supreme Court and proceedings that would have been had if the trial court of its own volition had reopened the case or had vacated its findings and judgment in part and had proceeded to determine the questions which it eventually did determine pursuant to the directions of the Supreme Court. It was not error to refuse the request for jury trial."

In the instant case the issue was clearly ancillary because it could only arise after the appeal was determined. Further, the judgment in the main action was affirmed and there is here no retrial of an issue because of a reversal. We hold that after there has been a waiver of the right to a jury in the trial of the main action, there is no right to a jury trial of an ancillary or supplemental issue such as was involved in this case; the waiver as made originally is still applicable.

Where the trial court has fixed the amount of fees for legal services, its determination will not be disturbed unless there is a plain abuse of discretion (Kurland v. Simmons ,126 Cal. App. 2d 79, 82). The award made in this case of $800 as attorney's fees for services on appeal appears reasonable, and supported by the evidence and the record indicates no abuse of discretion whatsoever.

Appeal from Judgment Against Surety on Appeal Bond

This judgment was entered against the surety on

the bond pursuant to Section 942, Code of Civil Procedure, and not against defendant. The latter is not a party aggrieved by it and no appeal therefrom may be taken by him (Section 938, Code of Civil Procedure) for that reason such purported appeal should be dismissed.

Even assuming for the purposes of discussion that an appeal would lie, defendant's contentions on appeal are without merit.

The judgment against surety could have been made ex parte (see Chas. F. Harper Co. v. DeWitt, etc. Co., 10 Cal. 2d 467, 469). Here, however, a motion was made and notice given both the surety and defendant. Prior to the hearing, defendant wired from Oklahoma requesting a continuance of the hearing of the motion which was denied and of which denial defendant complains. We see no abuse of discretion by the trial court as such notice of the hearing was given to the surety and defendant by courtesy only. Under the terms of the undertaking on appeal the surety consented to entry of judgment without notice.

Defendant further argues that trial court had no jurisdiction to enter the judgment against the surety on undertaking on appeal because previous thereto, the trial court had made its order regarding attorney's fees and defendant had filed his notice of appeal therefrom. Defendant argues that the appeal from the previous order divested the trial court of jurisdiction.

However, the appeal filed by defendant from the order determining reasonable attorney's fees, pursuant to directions of the District Court of Appeal did not

divest the Superior Court of Jurisdiction with respect to collateral matters; namely, matters not embraced within the subject of the order determining reasonable attorney's fees for service on appeal. (See Neff v. Ernst, 48 Cal. 2d 628, 633-634.)

The other points made by defendant have no merit and are not pertinent to the orders appealed from.

Plaintiff made a request for additional attorney's fees for services on the present appeal. While the request has merit, it will be denied in the interest of having the litigation finally terminated. However, in the event of further appeals or proceedings by defendant, it should be noted that this request by plaintiff is denied without prejudice.

The order awarding attorney's fees is affirmed; the purported appeal from the judgment against United States Fidelity and Guaranty Company is dismissed.

Balthis, J.

We concur:

Burke, P. J.
Jefferson, J.